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INTERNATIONAL DEMOGRAPHICS

CONSUMER ■ TRENDS ■ AND ■ MARKETS ■ ABROAD

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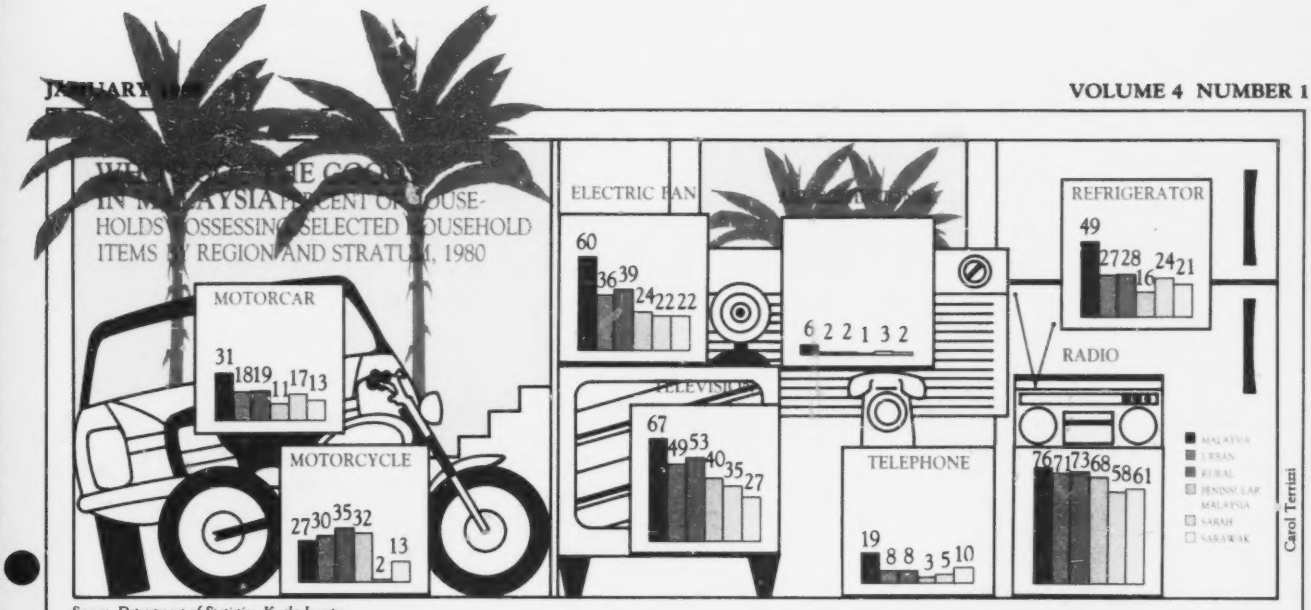

Source: Department of Statistics, Kuala Lumpur

COUNTRY PROFILE

FEDERATION OF MALAYSIA

Rich in natural resources, ethnic diversity, and pragmatic political leadership, Malaysia is a country on the move.

Approximately 80 percent of the nation's 127,581 square miles is covered by lush tropical rain forests that harbor a wealth of resources. Malaysia is the world's largest producer of natural rubber, palm oil, refined tin, and tropical hardwoods. Recent explorations and development of oil and gas deposits catapulted the country into the world's petroleum marketplace.

West Malaysia's 50,806 square miles occupy the southern portion of the Malay Peninsula. East Malaysia's 76,775 square miles are located 400 miles to the east, across the South China Sea on the island of Borneo. The two halves combine to form a nation slightly larger than the state of New Mexico.

Peninsular Malaysia, then called Malaya, was made part of the British Empire in 1824. England continued to dominate the country until 1963 when the Federation of Malaysia was formed, taking in the state of Singapore and the states of Sabah and Sarawak on the island of Borneo. The nation's modern-day boundaries were finalized by Singapore's withdrawal from the coalition in 1965.

To better understand the nation and its people, explanations of several confusing terms are in order. "Malay" is an ethnic term applicable only to members of the Malay race. "Malayan" refers to anyone who lives on the Malay Peninsula and a "Malaysian" is any citizen of the Federation of Malaysia regardless of race. Therefore, a Chinese businessman who resides within the country would not be a Malay but would be considered a Malaysian. If his residence were located in West Malaysia, he would also be considered a Malayan.

Although modeled after the British parliamentary system, Malaysian government is more complex. However, despite the existence of 9 ruling sultans and 11 party coalitions, the

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government is stable and relatively efficient.

The ruling king is a constitutional monarch whom the sultans elect from among themselves for a five-year tenure. To date, the king has followed the British tradition of automatic royal assent, approving legislation enacted by the country's elected representatives.

The legislative bodies consist of the House of Representatives and the Senate which are the Malaysian counterparts of the British House of Commons and House of Lords. However, the real power of the government lies with the prime minister, currently Dr. Mahathir Mohamad, leader of the House of Representatives.

REGIONS AND CITIES

West Malaysia is divided into 11 states in addition to the Federal Territory which surrounds the capital city of Kuala Lumpur. Nine of the states are ruled by hereditary sultans. The Federal Territory is administered in much the same manner as the U.S. District of Columbia. The remaining 2 states of West Malaysia and the 2 states of East Malaysia are administered by appointed governors.

The 1984 population of Malaysia was estimated at 14.7 million people. West Malaysia has 12.2 million; Sabah, 1.1 million; and Sarawak, 1.4 million. Malaysia's population grew an annual average of 2.3 percent between 1970 and 1980. Sabah grew the fastest, at 3.8 percent annually, on average. West Malaysia grew at 2.2 percent annually and Sarawak, 2.4 percent.

Dr. Mahathir encourages population growth in the belief that in order to be economically successful, Malaysia must have a substantial home market. In support of his plan, the 1985 budget increases tax deductions for families having five children. The *Asian Wall Street Journal* reports that the first child earns a deduction of $650, the second $750, and the third through fifth children earn deductions of $800 each. Previous policy allowed a higher deduction for the first child with a gradual decline in the allowable deduction to the fifth child.

The Federal Territory is the most densely populated region with an average of 3,784 people per square kilometer, according to the 1980 census. The state of Penang had the next highest population density with 872 people per square mile.

Generally, the most densely populated states are the smallest in land area. The least densely populated states are found in East Malaysia, where Sabah and Sarawak record 13 and 10 persons per square kilometer respectively.

The largest metropolitan area is the capital city of Kuala Lumpur with a population of nearly 1 million. Other metropolitan areas include the port city of George Town, capital of Penang and the first British settlement in Malaya which currently handles one-third of all Malaysia's shipping activity; Ipoh, Perak in the center of the tin mining industry; and Johore Bahru, the country's third largest port, situated at the end of the Singapore causeway.

MIGRATION

Prior to World War II, international migration was an important factor in the growth and distribution of the population. Immigration is now strictly controlled by the government and the percentage of foreign-born citizens declined from 7 percent of the population in 1970 to 5 percent in 1980.

Census data show the decreasing importance of China, India, and Pakistan as countries of origin. Foreign-born Chinese and Indians constituted about 55 percent and 22 percent respectively of the immigrant population in 1970, compared to 42 percent and 17 percent respectively in 1980.

Immigration laws are less strict regarding migrant workers from the Philippines, Indonesia, and Thailand. The portion of foreign-born residents originating in neighboring countries grew from 19 percent to 36 percent over the same ten-year period.

The Malaysian population is becoming increasingly more mobile. The number of internal immigrants increased from 10 percent in 1970 to 14 percent in 1980. This trend of internal mobility is expected to continue.

INTERNATIONAL DEMOGRAPHICS

PUBLISHER: *Peter Francese*, **EDITOR:** *Doris L. Walsh*,
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Although 410,000 people relocated from rural to urban areas between 1970 and 1980, the demographic shift accounted for only 16 percent of all internal migration. Contrary to patterns in many developing countries, rural to rural area migration was responsible for about 45 percent of the total internal migration.

While the reason for internal migration in developing countries is usually believed to be work related, only 7 percent of Malaysians said they moved in search of work. Four percent cited educational reasons. But 54 percent said they relocated for family reasons (marriage or to follow family members).

ETHNICITY AND RELIGION

Malaysian society includes several different ethnic groups, customs, and religions. The primary ethnic groups of Malays, Chinese, and Indians share land with several dozen indigenous tribes. There are, however, racial difficulties between Chinese and the Malays.

West Malaysia's population is mainly Malays who are 55 percent of the total. Chinese are 34 percent and Indians, 10 percent. Sabah is dominated by the Pribumi (including Bajaus, Kadazans, Muruts, Malays, Indonesians, Filipinos, and other indigenous persons), where they are 83 percent of the population.

Sarawak is also dominated by indigenous ethnic groups. Ibans, Melanaus, and Bidajuhs as well as other native tribes account for 50 percent of the population; Malays, 20 percent; and Chinese 30 percent.

Although all ethnic groups continue to grow in numbers, the higher Malay fertility rate is responsible for the more rapid growth of the Malay population, a trend which is expected to continue.

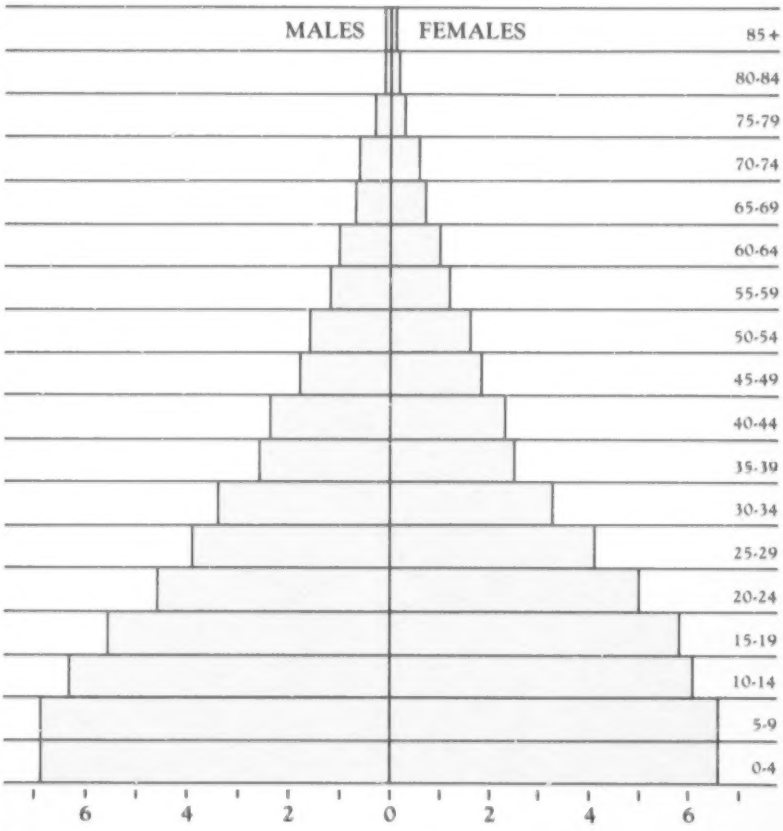
In 1969, racial problems peaked, culminating with riots in the streets of the nation's capital. Parliamentary elections were suspended and a national state of emergency was declared. The riots were directly attributed to the dissatisfaction of the politically dominant but economically weaker Malays.

In 1970, the government instituted measures designed to provide Malays with a greater share of the country's wealth. The 20-year "new economic policy" (NEP) grants special privileges to bumiputras — "sons of the soil" — who are native-born Islamic Malays.

By government edict, bumiputras are granted first rights to new entrepreneurial activities and non-Malays are "encouraged" to acquire bumiputra partners. Many non-bumiputras consider the policy discriminatory because opportunities for government employment, education, and equity ownership in commercial enterprises are limited.

The new economic policy has proven successful. In 1970, the bumiputras' share of the population

POPULATION OF MALAYSIA BY AGE AND SEX, IN PERCENT



Age	*Total*	*Males*	*Females*
All Ages	13,136,109	6,588,756	6,547,353
0-4	1,779,564	912,497	867,067
5-9	1,782,782	911,412	871,370
10-14	1,633,536	831,730	801,806
15-19	1,493,464	737,713	755,751
20-24	1,265,133	608,779	656,354
25-29	1,058,434	518,755	539,679
30-34	874,744	440,840	433,904
35-39	671,303	342,508	328,795
40-44	624,041	317,324	306,717
45-49	473,354	234,297	239,057
50-54	414,754	207,698	207,056
55-59	319,848	157,209	162,639
60-64	269,745	132,581	137,164
65-69	188,166	94,581	93,585
70-74	146,563	72,881	73,682
75-79	76,223	38,953	37,270
80-84	39,238	18,235	21,003
85+	25,217	10,763	14,454

MALAYSIAN CITIES WITH POPULATIONS OVER 100,000

Kuala Lumpur, Federal Territory	937,875
George Town, Penang	269,247
Ipoh, Perak	247,969
Johore Bahru, Johore	136,234
Sibu, Sarawak	135,000
Kelang, Selangor	113,611

Source: Polk's World Bank Directory

exceeded 50 percent although their share of the wealth was only 3.4 percent. Ownership in equity capital grew to 12.5 percent in 1980, 18.7 percent in 1983, 21.9 percent in 1985 (forecasted), and is targeted to reach 30 percent by 1990.

In 1971, in reaction to continued racial unrest, the government adopted a constitutional amendment designed to alleviate racial tensions. The amendment prohibits public or parliamentary discussion of "sensitive" issues regarding ethnic origin and outlaws criticism of the government's new economic policy.

Religious affiliations are generally divided along ethnic lines. Most Malays are followers of Islam while the majority of all Chinese practice a mixture of Confucianism, Taoism, and Buddhism. Indians are divided between the Hindu, Muslim, Sikh, and Parsee religions. Indigenous tribes are mostly animists who believe that inanimate objects (mountains, trees, rocks) are inhabited by spirits of the gods.

Although freedom of religion is guaranteed by the constitution in this Islamic country, there are controls on the growth of religious dissent. Government leaders have repeatedly warned the citizens against religious extremism and hint that strict security legislation will be employed against any fanatical group that promotes civil unrest or disrupts the economy. Additionally, the individual states have powers that enable them to restrict the growth of dissent.

AGE DISTRIBUTION

Malaysia's population distribution by age is characteristic of most developing countries. The greatest proportion of the population is centered in the lowest age groups with more than half of the nation's inhabitants aged 20 or below. Life expectancy is 67 years of age for men and 72 years for women, although only 3 percent of the population is 65 years of age or older.

A notable aspect of the age distribution trend is an increase in proportion of women in their prime child-bearing years. The percentage of females between the ages of 15 and 29 grew from 26 percent in 1970 to 30 percent in 1980. Proportionate growth is expected to continue for at least the next 15 years. Fortunately, fertility is on the decline and is expected to continue to do so.

HOUSEHOLDS AND FAMILIES

For survey purposes, the Malaysian government defined a household as "persons living together and making common provisions for eating and other essentials of living." Therefore, households may consist of related family members, unrelated persons, or a combination of the two.

The number of private households grew by 34 percent from 1.9 million in 1970 to 2.5 million in 1980, a rate of growth considerably greater than that of the population during the same period. Concurrent with the greater growth in private households was a slight decrease in the average number of persons per unit from 6.1 to 5.6 in West Malaysia. Sabah and Sarawak had slightly larger households of 6.0 and 5.8 respectively.

The majority of households in all regions of Malaysia contain nuclear families with little variation recorded between West Malaysia, Sabah, and Sarawak (55 percent, 56 percent, and 54 percent respectively). Extended families made up 28 percent of the households and single-person households accounted for 9 percent of the total. Nonfamily households made up the smallest portion of households.

Marriage, widowhood, and divorce trends are difficult to interpret since some religious practices permit multiple marriages. Additionally, mortality rates vary between males and females resulting in subsequent variations in remarriage rates. However, general conclusions can be drawn.

Statistics adjusted for an increasing population indicated that more

TIPS ON TRENDS

JAPANESE DIRECT MAIL

Direct marketing has hit Japan. An estimated $5.6 billion in goods and services were sold in Japan by direct mail in 1983. Estimates are that 2 percent of all sales are now by direct marketing, a share that will grow to 10 percent by 1990.

An article by Robert Cutts in the September 1984 issue of *PHP*, a Japanese magazine, says that Japanese and foreign marketing executives long believed that direct marketing would not work in Japan.

But, "Many previous analyses of the market failed to take into account the fact that demographics, economics, lifestyles, and popular perceptions are altering fairly rapidly in Japan."

Cutts says a recent study of consumers by a firm that sells by direct mail found that 33 percent of its customers said they purchase by mail because they can't find the merchandise elsewhere, 27 percent because it is convenient, and 7 percent because it is fun.

American Express is one company that is direct marketing successfully in Japan. Catalog sales are also doing extremely well. And the telephone is expected to be a strong tool in parts of Japan, especially now that toll-free service is available in Tokyo, Osaka, and Nagoya.

Larry Schenker, who founded Japan-America Direct K.K. in Tokyo, says that the average direct mail purchase now ranges in value from $65 to $217. "You have a new changing audience out there: more women are working, and thus, have less time to shop. The number of senior citizens has increased and they find shopping by direct mail more convenient." •

Source: PHP, *September, 1984. Order from PHP Institute, Inc., Tokyo Konoike Bldg., 8th Floor, 2-3-11, Kandasurugadai, Chiyoda-ku, Tokyo, 101 Japan. $18 per year in the United States.*

men and women chose to delay marriage or remain single. While the adjusted divorce rate for men is on the decline, the number of women who divorce or separate (and remain so) is increasing. Data also indicate a definite decline in both widows and widowers, due to increased longevity of both sexes.

HOUSING

The 1980 census defined a housing unit as "a separate and independent place of abode intended for habitation by one household or one not intended for habitation but occupied as living quarters by a household at the time of the census." Under this definition, the total number of housing units was recorded at 2.6 million of which 2.2 million were located in West Malaysia, a growth of 36 percent over 1970.

Houses and bungalows make up the vast majority of the housing units in all regions of Malaysia, accounting for 90.1 percent of all living quarters. This figure can be slightly misleading as it includes all types of houses ranging from elite dwellings in urban areas to kampong quarters, native thatch-roofed houses constructed of indigenous materials.

Homeownership is more prevalent in rural areas than in urban areas. Seventy-three percent of all rural housing units are owner occupied while the majority of urban dwellers — 53 percent — either rent or are provided accommodations by their employers.

Facilities that Americans expect as standard in housing are becoming more readily available to the residents of Malaysia. Census figures indicate that 64 percent of all occupied housing units had electricity, and 79 percent are classified as having "adequate" toilet facilities. Additionally, piped water is available to 65 percent of all dwellings, although the term makes no distinction between internal/external or communal/private piped water sources.

INSIDE INFORMATION

WHEN IN MALAYSIA

Normal business hours vary in the differing Malaysian states often causing confusion for visitors from abroad. Generally, most offices are open from 8:30 or 9:00 a.m. to 1:00 p.m. and from 2:30 to 4:30 or 5:00 p.m. Mondays through Fridays. Many offices are also open on Saturday from 9:00 a.m. to 1:00 p.m. although the trend is turning more towards a five-day workweek.

In the capital city of Kuala Lumpur, the workweek is often four and a half days with offices manned only by a skeleton staff on Friday afternoons and closed on Saturdays. Americans are advised to plan business trips for Mondays through Thursdays to ensure contact with appropriate Malaysian personnel.

In the states of Kedah, Kelantan, Terengganu, and Johore, the weekend is observed on Thursday and Friday.

Marketing to Malaysian businesses is unlike marketing in the United States. Malaysians prefer to have a business proposal submitted in writing prior to scheduled meetings in order to study the concept and prepare themselves for subsequent encounters.

High-tech, hard-sell techniques could lose a sale, and will, at the least, result in strained business relations. Malaysians prefer to discuss business endeavors concisely and calmly in unadorned fundamental terms. However, any implication that they are being treated as backwards or ignorant will also damage business relations. In simple terms, don't be condescending and don't attempt "snow jobs."

Simple courtesy and respectful formality are by-words of Malaysian society. An invitation to a Malaysian home is a great honor and when an American businessman consents to bring his wife to a formal dinner, he honors his Malaysian host.

Prior to attending social engagements, American businessmen should ask about the inclusion of wives. Since Malays and Chinese are permitted more than one wife, a strict set of unwritten rules applies to various types of coed social situations. The first wife, normally wedded for business reasons, is considered the most important.

In the course of normal business relations, presents are sometimes exchanged. If an American chooses to honor his Malaysian host with a gift, courtesy demands that the intended receiver be notified in advance so reciprocal action can be taken.

The reception of American businesswomen in Malaysia varies according to the corresponding ethnic group. Malays, followers of the Muslim religion, do not easily accept women in business although social restrictions against the feminine gender are not as strict as in the Mideast. Chinese businessmen more readily accept women in the business world and willingly work with both genders of any ethnic group.

Malaysia's tropical climate renders the wearing of standard western business suits as uncomfortable as well as unsuitable. Appropriate formal attire for businessmen of any nationality is the long-sleeved Malaysian batik shirt which is worn over pants or slacks. Acquisition of such a shirt is highly desirable. The purchaser should exercise caution as foreigners may confuse the Malaysian batik shirt with the less-than-acceptable Filipino shirt.

In some areas of the country, guests are expected to remove their shoes upon entering their host's home as a sign of respect. A polite inquiry will ascertain the appropriate behavior in this as well as any other situation.

Malays follow the Muslim custom of segregating the uses of hands. Only the right hand is to be used when eating or otherwise handling food items.

Regardless of ethnic background, Malaysians are a friendly people who welcome Americans to their nation. Simple courtesy and respect will go a long way toward establishing and maintaining mutually satisfactory relationships. •

—Linda Newcomb

LITERACY AND EDUCATION

The literacy rate, measured by the number of persons aged 10 and over who are able to read and write in any language, was 72 percent in 1980, a definite increase over the 1970 rate of 58 percent. More important than the overall literacy statistics is the trend exhibited by the rates at various age levels.

While only 26 percent of the population aged 60 years or older are considered literate, the rate escalates with each successively younger age group. Literacy peaks at the rate of 90 percent for the age 15-to-19 group. The trends indicate wide availability of education in all regions of Malaysia.

The language of choice is highly correlated with ethnicity.

On Peninsular Malaysia, 89 percent of the population aged 10 and over speak Bahasa Malaysia, 61 percent fluently. Twenty-three percent speak English, 33 percent Chinese, 9 percent Tamil, and 3 percent other languages.

The vast majority of Malays speak Bahasa Malaysia. Only 15 percent speak English. Among Chinese, however, nearly the entire population speaks Chinese, but about three-quarters also speak Bahasa Malaysia, 20 percent fluently. About 30 percent of Chinese speak English. The two most likely languages of Indians are Tamil (90 percent) and Bahasa Malaysia (86 percent). Forty percent of Indians speak English.

English is now a compulsory second language in school even though Malay is the medium of instruction. English is widely employed in government and commerce.

The Malaysian educational system is comprised of four levels of schooling. Children enter school at the age of six and normally attend primary level classes for six years. Upon successful completion, students graduate to the lower secondary level for an additional three years.

Lower secondary education prepares students for a public examination leading to the Sijiz Rendah Pelajaran. Students who successfully complete lower secondary schooling are eligible to enter upper secondary training for an additional two years in preparation of the Sijil Pelajaran Malaysia.

Holders of the Sijil Pelajaran Malaysia may continue their education in one of two ways. They may enter a college of polytechnic without further prerequisite training or they may complete two years of post-secondary education, successfully complete the examination for award of the Sijil Tinggi Persekolahan, and enter one of Malaysia's five universities.

Education is provided without charge for all students aged 6 to 15. If required academic standards are met, continued free education to 19 years is also provided. Approximately 96 percent of all children aged 6 to 11 receive full-time educational benefits, as do 67 percent aged 12 to 14 and 32 percent aged 15 to 16.

Statistics from the 1980 census show that less than 2 percent or approximately 99,000 Malaysians aged 19 and over have received any type of post-secondary education. However, this number is growing. In addition to Malaysian university enrollment, an estimated 25,000 students attend U.S. universities under subsidy of the Malaysian government and commercial enterprises.

In addition to academic opportunities, vocational training is also available in such areas as service work (hotel, catering, tailoring, cosmetology), commercial work, automotive repair, auto maintenance, electrical/electronics, radio and television repair work, and building and woodwork.

LABOR FORCE

The current labor force is estimated at 5.4 million workers and continues to grow at an annual rate of 3.1 percent. An adequate supply of unskilled and semiskilled workers exists in most areas although some labor shortages may be experienced in the states of Johore, Sabah, and Sarawak. Johore's labor shortages are attributed to employment opportunities in Singapore. Government controlled immigrants from Indonesia and the Philippines fill most employment requirements in the sparsely populated states of Sabah and Sarawak.

Although affected by the recession experienced by the western world, Malaysia's unemployment rates are well within the boundaries of manageability. Recent government figures indicate that the unemployment rate is 6 percent in West Malaysia and 4 percent in Sabah and Sarawak.

The government limits the work week to 48 hours or six days for employees who earn 750 Malaysian dollars (M$750) or less per month. However, the average work week is generally 44 hours for industrial workers and 39 hours for office workers. General working conditions are also controlled and overtime is limited to a maximum of 32 hours per month.

Most Malaysian states recognize 15 paid holidays per year, 13 of which

TIPS ON TRADE

SOUTH KOREAN TVS

South Korea is attempting to develop new markets for its primary television set manufacturers – Daewoo, Samsung, and Gold Star. Developing countries are the likely new targets. Anti-dumping decisions are encouraging the TV manufacturers to reduce their dependence on U.S. consumers. Asia Cable (October 26, 1984) reports, "To meet European and Middle East TV technical standards, the Koreans intend to revamp their production lines."

JORDAN BUILDS NEW SCHOOLS

Jordan will build 47 primary and secondary schools during the 1980s to accommodate an enrollment expected to reach about 45,000 by 1990. The World Bank is supporting the project with a $40 million loan. The Jordanian government is providing $76.3 million and $5.7 million will come from suppliers and export credits.

The project includes building, equipping, and furnishing 25 primary grade schools for girls and 6 for boys in the governorates of Amman, Irbid, Balqa, Ma'an, and Karak. These schools will help reduce the average class size from about 70 students to 40 or 50 students each. Seven secondary schools for girls and nine for boys will also be built in the five governorates. •

are national holidays. Additionally, workers are customarily granted an annual bonus amounting to the equivalent of one to two month's pay.

The Industrial Relations Act of 1967 governs the organization and operation of trade unions. Union organization is restricted to particular trades, industries, and occupations, and unions are most active in the fields of agriculture (plantations), transportation, and education. A general workers union is prohibited and each allowed union is required to register.

Although the workers' right to organize, negotiate, and strike are protected, the government is quick to refer all disputes to binding arbitration in the labor courts at which time the strike must cease.

There are 366 separate trade unions in Malaysia representing approximately 600,000 workers, or less than 15 percent of all salaried workers.

THE ECONOMY

During the past two decades Malaysia acquired one of the most impressive economic records in Asia. Gross national product (GNP) grew by an average annual rate of 8 percent in real terms from 1970 to 1981. Real GNP growth registered only 2.5 percent in 1982 but rebounded to 5.8 percent in 1983 and was expected to reach 6.7 percent in 1984. Continued real growth is expected.

Since exports account for 50 percent of GNP, the economy is heavily dependent upon foreign trade. During the recessionary years, government borrowing supported Malaysia's economy as exports fell markedly and imports soared. But unlike many developing countries, Malaysia's debt payments are made promptly and an excellent credit rating is maintained. Foreign borrowing is being reduced and high interest payments are scheduled to peak in 1987.

In the first two months of 1984, Malaysia had a trade surplus of about $286 million, compared with a deficit in the same period a year earlier. Exports in the period increased 22 percent over the year before while imports rose only 2 percent.

Malaysia's prospects for continuing growth and prosperity are good. Large natural gas reserves at Bintula, Sarawak have been developed and the entire output for the next ten years has been sold to Japan. Crude oil production at 283,000 barrels per day in 1979 continues to increase.

Tin mining, rubber production, palm oil, and timber production continue to be responsible for a large segment of the economy. In recent years, agricultural endeavors have diversified to include cocoa production.

The government's "Look East" policy encourages private enterprise to follow the lead of Japan and South Korea. Plans are underway to guide the country towards heavier industries and the development of more manufacturing concerns.

In the past two years, dozens of projects have been turned over to private enterprise under the government's "Privatisation" policy. Greater effort is expected to be made to liquidate government holdings in all services and assets that are not of strategic national importance.

"WEST MALAYSIAN HOUSEHOLDS ARE MORE PROSPEROUS IN MATERIAL TERMS THAN THOSE IN SABAH AND SARAWAK."

INCOME AND LIFESTYLE

Malaysia's per capita income is one of the highest in Southeast Asia. Malaysia's estimated 1982 GNP per capita income of $1,860 was topped only by Singapore and oil-rich Brunei.

Yet in 1970, 49 percent of all Malaysians were living below the poverty level. Government programs designed to provide a higher standard of living reduced the poverty figure to 29 percent in 1980. Continued plans call for a further reduction to 17 percent in 1990 and the complete elimination of poverty by the year 2000.

Using selected household goods as a measure of material well-being, a determination regarding lifestyle trends can be made. The 1980 census reported that 18 percent of all households possessed at least one automobile, 30 percent had motorcycles, 27 percent owned refrigerators, and almost twice as many possessed televisions. Despite the heat and humidity, only 2 percent of all households were air conditioned.

Television can be expected to continue its growth, although not without controversy. In June 1984, TV3, a private television channel, came to Kuala Lumpur and the surrounding area, available to about 1.9 million viewers. The *Asian Wall Street Journal* reported shortly thereafter that the channel offered a program mix of mostly Western fare that was raising the hackles of fundamentalist Moslems. About 90 percent of the programming is in English, although the government requirement is that eventually at least 30 percent of programming be presented in Malay.

Generally, more high-cost household items can be found in urban areas than in rural areas, and West Malaysian households are more prosperous in material terms than Sabah and Sarawak.

Compared with 1970 census data, a marked increase in material wealth can be noted for West Malaysia residents. The largest proportionate increase was found in ownership of televisions which more than tripled during the ten-year period from 12 percent to 53 percent. Possession of motorcycles and refrigerators almost tripled during the same period and ownership of automobiles, air conditioners, and telephones doubled. Due to incomplete 1970 census data for Sabah and Sarawak, East Malaysian comparisons are not available.

SOURCES OF INFORMATION

The U.S. Dept. of Commerce offers several useful publications. "Marketing in Malaysia" (OBR 81-02) and "Foreign Economic Trends" (FET 83-04) provide detailed economic and foreign trade information.

A brief synopsis of marketing information and guidelines is provided

by "World Trade Outlook for East Asia and the Pacific" (OBR 82-16) and "Market Profiles for East Asia" (OBR 83-04).

The Bureau of Public Affairs publishes "Background Notes — Malaysia" which provides a wealth of helpful information. "Country Labor Profile" is available from the U.S. Dept. of Labor's Bureau of International Labor Affairs.

All of the above listed documents may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, telephone (202) 783-3238. Single copies may be obtained from Publications Distribution, Room 1617, U.S. Department of Commerce, Washington, D.C. 20230. Copies may also be ordered from any Dept. of Commerce District Office.

Data from the 1980 Malaysian Census is periodically released by the Department of Statistics Malaysia, Kuala Lumpur. Requests may be directed to the U.S. Embassy in Malaysia, USDAO A1A Bldg., Jalen Ampang, Kuala Lumpur, Malaysia.

Other helpful publications include: "Trade Index of Malaysia," Printrade Corporation (Malaysia), Sdn. Bhd. 47B & 47C, Jalan Ipoh, Kuala Lumpur 02-12, Malaysia; and "Malaysian Industrial Development Authority Publications," P.O. Box 618, Kuala Lumpur, Malaysia.

Additional data may be obtained from the Information Office of the Malaysian Embassy in Washington, D.C., (202) 328-2700.

The U.S. Dept. of State also provides assistance to interested potential U.S. investors. Contact the Malaysian desk at (212) 682-2232.

The U.S. Embassy in Kuala Lumpur offers briefings and assistance to American business investors in Malaysia, telephone 489011. •

—Linda Newcomb

COMING UP

Our own estimates of people in foreign countries who buy English-language materials

Metropolitan Rio de Janeiro is a marvelous market at least in some neighborhoods

PUBLICATIONS

The Resourceful Earth: A Response to Global 2000, edited by Julian L. Simon and Herman Kahn, 1984, New York: Basil Blackwell Inc., 585 pp., $19.95. Order from Basil Blackwell Inc., 432 Park Avenue South, Suite 1505, New York, NY 10016.

In 1980 the Global 2000 Report to the President of the United States forecast widespread environmental disaster by the turn of the century. Its scenario of the earth as crowded and polluted, ecologically unstable, increasingly vulnerable to disruption, and subject to "serious stresses involving population, resources, and environment" alarmed individuals and influenced crucial governmental policies.

But Global 2000 is dead wrong, says editor Julian L. Simon. "The world in 2000 will be *less crowded* (though more populated), *less polluted, more stable ecologically,* and *less vulnerable to resource-supply disruption* than the world we live in now. . . . The world's people will be *richer* in most ways than they are today."

Thus *The Resourceful Earth* begins its rebuttal of Global 2000's claims. Presenting the data and conclusions of an independent team of world researchers — each an expert in his or her field — this volume gives scientific evidence that global and U.S. trends in population, resources, and environment are improving rather than deteriorating. Among the topics covered are: population projections, world food supply, soil erosion and cropland change in the U.S., water resource adequacy, global climatic trends, non-fuel minerals, sources of energy, and trends in environmental quality. Each essay is replete with tables and graphs showing long-term trends. A bibliography for each topic is also included.

With the aim of providing "sound and balanced assessments of key issues concerning resources and the environment, and thereby to correct the false, gloomy impressions left by Global 2000," *The Resourceful Earth* also speaks against "the constraints currently imposed upon material progress by political and institutional forces, in conjunction with popularly-held beliefs and attitudes about natural resources and the environment, such as those urged upon us by Global 2000." These constraints include the view that our resources and environment will inevitably deteriorate in the future, that there are physical limits that will inhibit progress (the notion of "carrying capacity"), and that nuclear energy is more dangerous than energy from other sources. Such views lead to government policies that are expensive in terms of dollars and lives, and which will damage resource production and choke economic progress if left in place.

While the conclusions of this volume are reassuring, *The Resourceful Earth* is not meant to encourage complacency by predicting a world where there will be no poverty, oppression, or danger. A better future will not happen automatically, says editor Simon, but because men and women — as individuals, as enterprises working for profit, as voluntary non-profit groups, and as governmental agencies — will work together and probably overcome, as they have throughout history.

Exportise: An International Trade Source Book for Smaller Company Executives, 1983, Boston: The Small Business Foundation of America, Inc., 235 pp., $89.50. Order from The Small Business Foundation of America, Inc., 84 State Street, Fifth Floor, Boston, MA 02109; telephone (617) 720-0073.

The U.S. government is putting increased emphasis on exports in an attempt to reduce the trade deficit. But while most large companies have some international operations, small companies frequently believe they cannot export because it simply takes too much expertise.

Enter *Exportise* — a practical compilation of names, addresses, information sources, and tips on getting started in exporting. Emphasis is on the top export markets for the United States, but the advice given is good for most foreign markets, covering such essentials as distribution, hiring overseas agents, advertising, legal issues and taxes, tariffs, finance and banking. •

FEATURE

RESEARCH INTERNATIONAL

Research International, a wholly-owned subsidiary of the British-based Unilever, PLC that is among the ten largest marketing research firms in the world, opened its United States office in 1980.

The New York office serves the United States and Canada. Thirty other full-service offices serve the rest of the world, with assistance as needed from local suppliers in another 50 countries.

While not every office shares the Research International name, each one does share the logo — a globe covered with people spinning on an axis — symbolizing its involvement in consumer research.

Africa — a continent some research companies shy away from — is covered by a combination of local suppliers, project-specific research collection, and African offices. The main African offices are located in Kenya, Nigeria, South Africa, and Zimbabwe. North African research is administered through European offices. The Nigerian office covers the west coast. Kenya takes care of the eastern part.

Despite its relative youth, the New York office is staffed by experienced hands. David Pring, the director, has been with Research International since 1972 when he finished his degree in geography at the University of Newcastle. He started his work at Research International assigned to London. His experience spans 50 countries. Pring's associate director is Pippa Dunkley, who started with Unilever and moved to Research International in 1976.

The New York office, with seven employees, is a small part of the company which employs more than 350 professional researchers, more than 550 support staff, and more than 5,000 field interviewers. Worldwide revenues are estimated to be between $50 and $60 million. The majority of the work undertaken by the New York office is for clients other than Unilever.

Although Research International handles all traditional types of marketing research requests, there is increasing interest in product development and packaging. In response, the firm has developed a number of micro-behavior modeling techniques in new product development and pricing.

The new product development models — called Conceptor, Locator, and Sensor — work together or separately to identify product gaps in the consumer market, choose a position for a new product, establish a consumer profile for it, and test the new product through simulation.

"WHEN CIGARETTES ARE SOLD BY THE STICK RATHER THAN THE PACK, PACKAGE DESIGN FADES TO INSIGNIFICANCE."

To help its clients price products, Research International developed Price Solve, a modified conjoint (trade-off) analysis technique. Using fairly small samples (100 to 200 consumers), Price Solve not only analyses price elasticity and thresholds, but also predicts answers to "what if" kinds of questions, according to Pring. For example, a client may wish to know "What if we increase the price of this brand?" or "What if we remove this brand from the market?"

Research International's techniques have been designed to work in any market. Consumer goods clients range from food and beverage manufacturers and retailers to those who make and sell durables such as cameras. The firm also consults with heavy industry clients such as steel companies — usually to help them decide where to locate a plant or whether to pull out of a particular location.

Besides its customized work, Research International conducts an omnibus survey in Saudi Arabia once a year. Retail audits are part of its regular work in some European countries.

Research International prides itself on its understanding of cultures around the world. "It is a question of buying far more than just advice on local customs and culture; it is an understanding that cigarettes are likely to be sold by the stick rather than the pack in Africa, so that package design on that continent fades to insignificance," Pring explains.

The Middle East is Research International's growth area, perhaps less for United States clients than for those in Europe, Pring says. Other growth areas are Mexico, Brazil, and Argentina.

From the Manhattan office, Pring says he can offer clients full project design, set up and control of field work throughout the United States and in foreign countries, data processing from quick tabulations to analysis that includes modeling, and detailed data interpretation and reporting.

"The New York office offers a window around the world for the United States and Canada and for foreign countries wanting to do business in North America and Mexico," Pring says. "Most national offices tend to do domestic research, although in the United States Research International's split is about 40 percent domestic business and 60 percent international business."

Research International's U.S. address is 509 Madison Avenue, New York, NY 10022; telephone (212) 752-3881. •

—Jane K. Boorstein

Jane K. Boorstein is International Demographics' *New York correspondent.*

REGIONS

EUROPE

EUROPE

An electronic database that provides socioeconomic data on the European Community member states is now available through European Community offices. For more information, contact CISINET-WEFA, Suite 700, 1110 Vermont Avenue N.W., Washington, DC 20005 and ask for information on the database called Cronos.

BELGIUM

The Belgian government has extended compulsory education by raising the school-leaving age from 14 years to 18 years. The extension will take place gradually over a two-year period. When the leaving age goes up to 18, about 43,000 young people will be kept (partially or entirely) away from the labor market. The move was made in an attempt to lower the country's high unemployment rate which near the end of 1984 was 14 percent.

School-leaving age in most other European community member countries is age 15 or 16. In Italy, the school-leaving age is 14 years.

Source: CEDEFOP News, Vocational Training in Europe, *No. 7/1984. Published by European Center for the Development of Vocational Training, Bundesallee 22, D-1000 Berlin 15, West Germany.*

UNITED KINGDOM

The population of urban areas in the United Kingdom stayed about the same between 1971 and 1981, but there were shifts in the kinds of urban areas in which people chose to live, according to the Office of Population Censuses and Surveys. The population living in rural areas increased by 5 percent.

Large urban areas — those with more than a half million people — lost population during the decade. As in the United States, rates of growth in small towns were higher than those in rural areas, indicating that people are seeking a better quality of life outside highly urbanized areas. The largest absolute gain in population was in urban areas with fewer than 20,000 people, where the population grew by about 800,000. Total population in urban areas with between 20,000 and 99,000 people grew by about 600,000.

The Office of Population Censuses and Surveys is nearly finished with its compilation and analysis of the 1981 Census. Detailed data on local authorities and urban areas is available in published form through a *Key Statistics* series. Data for the whole country can be purchased for 90 pounds sterling. These publications give between 100 and 120 statistics for each local area.

Order key statistics in the following reports:

— Census 1981: Key Statistics for local authorities, Great Britain, HMSO, 9.10 pounds sterling net, ISBN 0 11 690980 3.

— Census 1981: Key Statistics for urban areas, Great Britain, HMSO, 9.10 pounds sterling net, ISBN 0 11 691064 X. The reports for the North (ISBN 0 11 691061 5), Midlands (0 11 691062 3), the South East (ISBN 0 11 691063 1), and the South West and Wales (0 11 691060 7) are published by HMSO and each costs 7.80 pounds sterling. The report for Scotland costs 6.30 pounds sterling; ISBN 0 11 492397 3.

Order from Order Section, HMSO Books, PO Box 276, London SW8 5DR, England.

NORTH AMERICA

CANADIAN DIVORCE

The Northwest Territories had the biggest increase in divorce of any Canadian province between 1982 and 1983. Divorces there were up by nearly 27 percent. However, the percentage increase may be misleading, because the numbers are small — from 67 divorces in 1982 to 85 divorces in 1983.

On the other hand, Quebec had a decrease of 6.5 percent in divorces, but there were still 17,365 divorces in 1983. The highest rate of divorce is in the Yukon, where there were 394.6 per 100,000 divorces during the course of the year. Because the population is small, however, even that high rate amounts to only 88 divorces.

In Canada as a whole, the number of divorces decreased by 2.7 percent between 1982 and 1983 and the rate per 100,000 people decreased by 3.6 percent.

A demographic profile of 1983 divorces as reported by Statistics Canada shows that the average age at time of divorce was 37.8 years for men and 35.1 years for women. Fifty-three percent of the divorces involved one or more children.

The divorce rate in Canada may peak as the large generation of people in their 20s passes through the age 30 group and as the number of women in the labor force begins to reach its maximum.

As in the United States and other developed countries, the divorce rate in Canada has risen partly in response to the ability of women to be more independent. Women were the petition-

ers in nearly 65 percent of the 1983 divorce cases.

The accompanying chart is from Statistics Canada. Detailed data on divorce will be published in Marriages and Divorces, Vital Statistics, Volume II 1983 (catalog 84-205). Order from Publications Sales and Services, Room 1710, Main Building, Statistics Canada, Ottawa K1A OT6.

INCOME DISTRIBUTION

Canadian families made no real gains in income between 1982 and 1983. According to preliminary information from Statistics Canada's annual Survey of Consumer Finances, wages and salaries increased by less than the Consumer Price Index.

Highlights of the report, *Income Distributions by Size in Canada, Preliminary Estimates 1983* include:

— The estimated 1983 average family income at $34,479 was about the same as the 1982 average on an inflation-adjusted basis.

— None of the five most populated regions in Canada experienced a significant increase in real family income.

— No group of families had an increase in real average income, regardless of the age of the family head, and the incomes of young families whose heads are younger than age 25 had a 9-percent drop on an inflation-adjusted basis.

— At $19,034, the average income of families headed by females (mostly single-parent families) was about one-half of the $36,351 average received by male-headed families.

For more information, order *Income Distributions by Size in Canada, Preliminary Estimates 1983* (13-206, $5.00 in Canada; $6.00 elsewhere) from Consumer Income and Expenditure Division, Statistics Canada, Ottawa K1A OT6; or telephone the Data Dissemination Unit at (613) 990-9775.

INCOME ON TAPE

A microdata tape containing information on the 1982 income of people aged 15 and over is now available from the Consumer Income and Expenditure Division, Statistics Canada, Ottawa K1A OT6; telephone Robert Allard, (613) 990-9775. The tape costs $300. Data from the 1983 Survey of Consumer Finances from which the income data is taken are also available in published form in *Income Distributions by Size in Canada* (13-207, $11.10.)

Tables providing the geographic distribution of personal income and its main components from 1980 to 1983 are now available from the Gross National Product Division, Statistics Canada, Ottawa K1A OT6; telephone (613) 990-9148.

METROPOLITAN ATLAS LAS

Statistics Canada now has atlases for 12 different census metropolitan areas. The *Metropolitan Atlas Series* contains graphs and maps that illustrate social and economic statistics in each city by census tract. Metropolitan areas covered by an atlas include St. John's, Halifax, Quebec, Montreal, Ottawa-Hull, Toronto, Hamilton, Winnipeg, Regina, Calgary, Edmonton, and Vancouver.

Each atlas is $8.50 in Canada and $10.20 elsewhere. Order from Publications Sales and Service, Statistics Canada, Ottawa K1A OT6.

CANADIAN CABLE

Of Canada's 8.4 million homes with a television, 6.8 million have access to cable and 5.1 million of those subscribe, according to a report in *Canada Today*, published by the Canadian Embassy in Washington.

That makes Canada "the most cabled country in the world," the report says, with about 61 percent of its homes connected to some form of pay television.

The report says that most Canadians have access to more channels than do viewers in New York. In addition to the government-owned CBC French and English channels and private Canadian ones, most have some access to U.S. stations near the Canadian border.

According to the CBC (Canadian Broadcasting Commission), U.S. stations took 31 percent of the English-speaking audience share in 1982-83. CBC had 22 percent, CTV, 31 percent, and other Canadian stations, 16 percent. (CTV is Canada's first privately-owned television network.) •

DIVORCES AND DIVORCE RATES IN CANADA BY PROVINCE: 1982 AND 1983

	Number of Divorces			*Rate per 100,000*		
Province of Divorce	*1982*	*1983*	*Percent Change*	*1982*	*1983*	*Percent Change*
Newfoundland	625	711	13.8	109.8	123.0	12.0
Prince Edward Island	206	215	4.4	167.8	173.4	3.3
Nova Scotia	2,281	2,340	2.6	267.6	272.3	1.8
New Brunswick	1,663	1,942	16.8	237.9	274.8	15.5
Quebec	18,579	17,365	-6.5	286.6	266.3	-7.1
Ontario	23,644	23,073	-2.4	271.3	261.7	-3.5
Manitoba	2,392	2,642	10.4	231.1	252.3	9.2
Saskatchewan	1,815	2,000	10.2	185.3	201.5	8.7
Alberta	8,882	8,758	-1.4	383.3	372.7	-2.8
British Columbia	10,165	9,348	-8.0	364.3	331.0	-9.1
Yukon	117	88	-24.8	492.9	394.6	-19.9
Northwest Territories	67	85	26.8	142.0	175.6	23.7
Canada	**70,436**	**68,567**	**-2.7**	**285.9**	**275.5**	**-3.6**

Source: Statistics Canada Daily, Sept. 6, 1984.

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